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SUBJECT: TURKEY: THE SARG'S NEW BEST FRIEND

REF: A. 05 DAMASCUS 05373

¶B. DAMASCUS 05327

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CLASSIFIED BY: CHARGE D'AFFAIRES WILLIAM ROEBUCK, REASONS 1.4 B/D

11. (C) SUMMARY: OVER THE LAST FEW MONTHS, WITH A SERIES OF HIGH-LEVEL TURKISH DIPLOMATIC VISITS AND TURKEY'S MUCH-DELAYED RATIFICATION OF THE SYRIAN-TURKISH FREE TRADE AGREEMENT (FTA), THE SARG HAS PUBLICLY HAILED THE BEGINNING OF A NEW ERA OF COOPERATION BETWEEN SYRIA AND TURKEY. SARG BELIEVES THAT THE STRENGTHENING OF RELATIONS WITH TURKEY IS CRITICAL TO ACHIEVING ITS NATIONAL INTERESTS, PARTICULARLY ITS POLITICAL ONES, INCLUDING: EASING SYRIA'S INTERNATIONAL ISOLATION; BUILDING A BRIDGE TO EUROPE AT A TIME WHEN EUROPE IS WORRIED ABOUT SYRIA-IRAN TIES; ACHIEVING REGIONAL STABILITY; CREATING AN ARENA FOR COOPERATION ON CONTROLLING REGIONAL KURDISH ASPIRATIONS; AND BUILDING STRATEGIC TIES, TO INCLUDE SEVERAL POTENTIAL ENERGY PROJECTS BETWEEN SYRIA, TURKEY, AND IRAN. HOWEVER, WHILE THE SARG IS EMPHASIZING THE POSITIVE ASPECTS OF ITS TURKISH RELATIONSHIP, THERE ARE SEVERAL POTENTIAL DRAWBACKS TO THE FTA, INCLUDING ITS POTENTIAL TO WORSEN SYRIA'S GROWING TRADE IMBALANCE. ADDITION, THERE ARE SEVERAL ISSUES, INCLUDING WATER DISPUTES AND LONG-STANDING SYRIAN CLAIMS OF SOVEREIGNTY OVER THE HATAY PROVINCE (ISKANDERUN), THAT HAVE THE POTENTIAL TO UNDERMINE FUTURE COOPERATION. END SUMMARY.

OVERVIEW OF RECENT SYRIAN-TURKISH RELATIONS

12. (C) BACKGROUND: ECONOMIC AND POLITICAL RELATIONS BETWEEN SYRIA AND TURKEY HAVE BEEN IMPROVING, ALBEIT UNEVENLY, OVER THE LAST SEVEN YEARS. HISTORICAL TENSIONS ROOTED IN FORMER OTTOMAN CONTROL OF SYRIA, ITS WRESTING AWAY FROM SYRIA -THROUGH FRENCH CONCESSIONS ON THE MANDATE -- IN THE LATE 1930'S OF THE ALEXANDRETTA/ISKANDERUN/HATAY PROVINCE, TURKEY'S SUPPORT FOR ISRAEL, AND SYRIA'S SHELTERING OF KURDISH LEADER ABDULLAH OCALAN (FOR USE AS A LEVER WITH TURKEY IN WATER AND BORDER DISPUTES) STARTED TO IMPROVE IN 1998. SYRIA, FACING THE COLLAPSE OF ITS PATRON, THE SOVIET UNION, AND THE DIRECT THREAT OF ARMED CONFLICT WITH TURKEY OVER THE SARG'S SUPPORT FOR OCALAN, AGREED TO EXPEL HIM AND END SUPPORT TO HIS KURDISTAN WORKER'S PARTY (PKK). SUBSEQUENT SARG EFFORTS TO STRENGTHEN TIES WITH TURKEY LED, IN 2004, TO A SERIES OF HIGH-LEVEL BILATERAL VISITS THAT CULMINATED WITH THE SIGNING IN DECEMBER 2004 OF THE TURKISH-SYRIAN FREE TRADE AGREEMENT (FTA). AROUND THIS TIME SOME OBSERVERS HERE QUIETLY INSISTED THAT BASHAR AL-ASAD, TO

CONFRONT INTERNATIONAL PRESSURES AND MOUNTING ISOLATION, ESSENTIALLY CAVED TO LONG-STANDING TURKISH-IMPOSED REALITIES AND EFFECTIVELY CONCEDED LONG-HELD SYRIAN CLAIMS TO THE SOVEREIGNTY OVER THE HATAY AREA. AFTER THE 2005 ASSASSINATION OF RAFIK HARIRI AND INCREASING INTERNATIONAL PRESSURE AGAINST SYRIA, TURKISH-SYRIAN COOPERATION SLOWED SOMEWHAT AND THE FTA'S RATIFICATION WAS PUT ON HOLD. SYRIA AND TURKEY CONTINUED TO COOPERATE ON SOME BILATERAL ISSUES, INCLUDING BORDER SECURITY AND INTELLIGENCE SHARING, BUT TURKEY SUSPENDED EFFORTS TO RATIFY THE FTA.

- 13. (C) RECENT STRENGTHENING OF TIES: IN RESPONSE TO WANING SYRIAN-TURKISH RELATIONS, THE SARG REDOUBLED EFFORTS TO ENGAGE TURKEY, WHICH IT SAW AS KEY TO COUNTERING INTERNATIONAL POLITICAL AND ECONOMIC ISOLATION, INCLUDING PUBLICLY HAILING SYRIAN-TURKISH RELATIONS, DECREASING NEGATIVE SARG RHETORIC ON WATER DISPUTES WITH TURKEY, AND SENDING A DELEGATION HEADED BY DEPUTY PRIME MINISTER FOR ECONOMIC AFFAIRS, ABDALLAH DARDARI, TO TURKEY IN OCTOBER 2005 TO RESTART DISCUSSIONS ON TURKISH RATIFICATION OF THE FTA (REF A). WHILE THERE WERE FEW INITIAL SIGNS OF IMPROVEMENTS IN RELATIONS OVER THE PAST YEAR, THIS BEGAN TO SHIFT IN NOVEMBER AND DECEMBER 2006, WITH HIGH-LEVEL DIPLOMATIC VISITS BY TURKISH PRIME MINISTER RECEP TAYYIP ERDOGAN AND DEPUTY PREMIER, ABDULLATIF SENER, AS WELL AS TURKEY'S RECENT RATIFICATION OF THE SYRIAN-TURKISH FTA, THAT WENT INTO EFFECT JANUARY 1, 2007 (REF B).
- 14. (C) THE SARG HAS PUBLICLY HAILED THE FTA, WITH PM OTRI PUBLICLY CALLING IT A "TURNING POINT" IN RELATIONS BETWEEN TURKEY AND SYRIA. ORCUN BASARAN, AN ECONOMIC OFFICER AT TURKEY'S EMBASSY IN DAMASCUS COMMENTED PRIVATELY TO ECONOFF THAT WHILE THE SARG IS INTENTIONALLY OVERPLAYING THE SIGNIFICANCE OF THE RECENT EVENTS, TURKEY IS MOVING FORWARD

ON POLITICAL AND ECONOMIC ENGAGEMENT WITH SYRIA. HIS READ-OUT OF ERDOGAN'S RECENT MEETING WITH ASAD UNDERLINED THIS COMMENT. WHILE ERDOGAN DID CHALLENGE ASAD TO TAKE A MORE POSITIVE ROLE IN LEBANON AND A LESS REACTIVE STANCE TOWARDS OTHER ARAB GOVERNMENTS IN LIGHT OF SIGNS OF GROWING SUNNI-SHIITE DIVISIONS, HE ALSO WAS KEEN TO EMPHASIZE TURKEY'S AND SYRIA'S SHARED NEIGHBORLY INTERESTS, INCLUDING MAINTAINING THE TERRITORIAL INTEGRITY OF IRAQ TO AVOID A SEPARATE KURDISTAN AND STRENGTHENING SYRIAN-TURKISH ECONOMIC TIES.

SARG OBJECTIVES FOR STRENGTHENING RELATIONS WITH TURKEY

Q(C) SYMBOLIZING THE END OF SYRIA'S ISOLATION: WHILE THE SARG IS PUBLICLY HAILING THE ECONOMIC IMPORTANCE OF THE RECENT FTA, MOST EMBASSY CONTACTS, INCLUDING SYRIAN ECONOMIST AYMAN MIDANI, DOWNPLAY THE SHORT-TERM ECONOMIC BENEFITS, POINTING INSTEAD TO THE SARG'S USE OF THE AGREEMENT AS A SYMBOL OF TURKISH POLITICAL SUPPORT FOR SYRIA AS IT EMERGES FROM INTERNATIONAL ISOLATION. OVER THE PAST FEW MONTHS THE SARG HAS PUBLICLY CLAIMED THAT TIME HAS VINDICATED ITS POLITICAL POLICIES, AND THAT ITS INTERNATIONAL ISOLATION IS COMING TO AN END, AS EVIDENCED BY RECENT EU AND TURKISH ENGAGEMENT. KINDA KANBAR, GENERAL MANAGER OF SYRIA TODAY, THE INDEPENDENT ENGLISH-LANGUAGE BUSINESS MONTHLY, AND EDITOR OF A NEW ARABIC-LANGUAGE TURKISH TOURISM PUBLICATION IN SYRIA, COMMENTED THAT THE SARG FEELS EMPOWERED BY THE RECENT STRENGTHENING OF RELATIONS WITH TURKEY, AND BELIEVES IT SIGNALS THE START OF MORE POSITIVE INTERACTION WITH THE INTERNATIONAL COMMUNITY.

16. (C) SYRIA AS A STRATEGIC GATEWAY TO EUROPE AND THE GULF: SARG OFFICIALS AND PUNDITS LIKE TO ASSERT THAT SYRIA IS AT THE CENTER OF THE MIDDLE EAST, BOTH POLITICALLY, AND AS A STRATEGICALLY POSITIONED TRANSIT HUB. IMAD SHUEIBI, A PRO-REGIME FOREIGN POLICY ANALYST, COMMENTED TO ECONOFF THAT THE SARG VIEWS ITS IMPROVED RELATIONS WITH TURKEY AS AN IMPORTANT FIRST STEP TO IMPROVING RELATIONS WITH EUROPE (WITH WHICH IT SOON HOPES TO COMPLETE THE NOW-FROZEN EU ASSOCIATION AGREEMENT), DEMONSTRATING THAT SYRIA CAN BE EUROPE'S GATEWAY TO THE MIDDLE EAST. ECONOMICALLY, THE SARG IS TRYING TO

POSITION SYRIA AS A TRANSIT HUB FOR GOODS COMING FROM EUROPE TO THE GULF, AND BELIEVES THE FTA UNDERSCORES SYRIA'S STRATEGIC SHIPPING LOCATION. SYRIA HAS ALREADY BEEN PLAYING THIS ROLE WITH TURKEY, WHICH HAS EXPORTED MUCH OF THE \$80 BILLION OF GOODS IT SENT TO IRAQ THIS YEAR VIA SYRIA, WHICH RECEIVES TRANSIT FEES.

- 17. (C) BALANCING IRAN: SARG OFFICIALS BELIEVE THAT CLOSER TIES WITH TURKEY, A WESTERN-ORIENTED STATE, WILL CAST THE SARG IN A MORE POSITIVE INTERNATIONAL LIGHT, HELPING IT TO DECREASE ITS ONGOING ISOLATION AND COUNTER THE PERCEPTION THAT SYRIA HAS FALLEN INTO IRAN'S ORBIT AND IS TAKING ITS POLITICAL CUES FROM TEHRAN. A SYRIAN ECONOMIST OF INTERNATIONAL STATURE AND ADVISOR TO THE SARG, SAMIR SEIFAN, COMMENTED PRIVATELY THAT THE SARG HOPES TO USE ITS STRENGTHENED TIES WITH TURKEY TO BALANCE THE SARG'S RELATIONSHIP WITH IRAN, PROMOTING A MORE POSITIVE VISION OF SYRIA TO POTENTIAL SYMPATHIZERS IN EUROPE.
- 18. (C) THE KURDISH ISSUE: SINCE SYRIAS EXPULSION OF OCALAN IN 1998, SYRIA AND TURKEY GRADUALLY INCREASED COOPERATION ON WHAT THEY BELIEVE IS A SHARED THREAT FROM SEPARATIST KURDISH INTERNALLY, THE SARG REGIME IS CONCERNED ABOUT THE ELEMENTS. CHALLENGE THAT KURDS POSE TO ITS AUTHORITY AND SEES TURKEY AS A SYMPATHETIC NEIGHBOR WILLING TO COUNTENANCE REPRESSION OF THE KURDS IN SYRIA. SYRIA AND TURKEY HOLD BI-ANNUAL MINISTERIAL LEVEL DISCUSSIONS ON BORDER SECURITY, LARGELY RELATED TO &KURDISH8 ISSUES AND ACCORDING TO NAZMIYE BASARAN, POLITICAL OFFICER AT THE TURKISH EMBASSY, THE SARG HAS BEEN INCREASINGLY HELPFUL IN HANDING OVER TO TURKEY ALLEGED KURDISH TERRORISTS (AFFILIATED WITH THE PKK AND ITS OFFSPRING). SYRIA AND TURKEY'S COOPERATION ON THIS ISSUE HAS ALSO TAKEN ON A BROADER CONTEXT SINCE THE WAR IN IRAQ BEGAN. FOREIGN AFFAIRS ANALYST SHUEIBI COMMENTED THAT THE SARG BELIEVES TURKEY IS A CRITICAL PARTNER FOR REGIONAL STABILITY, AND MOREOVER, AN ESSENTIAL ALLY ON THE INTERNATIONAL STAGE CALLING FOR MAINTAINING IRAQ'S TERRITORIAL INTEGRITY) AND THEREFORE PREVENTING THE RISE OF A SEPARATE KURDISH STATE IN NORTHERN IRAQ, A POTENTIAL STEP THAT BOTH TURKEY AND SYRIA VIEW AS LIKELY TO INFLAME SEPARATIST SENTIMENTS AND DESTABILIZING TENDENCIES IN THEIR TWO COUNTRIES.
- 19. (C) GOOD RELATIONS = PRACTICAL COOPERATION: BEYOND THE POLITICAL CONSIDERATIONS, THE SARG IS ALSO TRYING TO REAP THE PRACTICAL ADMINISTRATIVE AND ECONOMIC BENEFITS OF CLOSER COOPERATION WITH TURKEY, INCLUDING:
- -- THE &TURKISH8 MODEL: THE SARG HAS HAILED ITS
 RELATIONSHIP WITH TURKEY AS A MODEL FOR FURTHER REGIONAL
 COOPERATION, BUT IS ALSO LOOKING TO UTILIZE TURKEY AS A MODEL
 FOR SARG REFORM EFFORTS. SYRIAN PM OTRI, FOR EXAMPLE,
 SPONSORED A MUCH-HAILED SYRIAN-TURKISH MUNICIPAL CONFERENCE
 LAST MONTH THAT HIGHLIGHTED TURKEY AS MODEL FOR LOCAL
 ADMINISTRATION REFORM. ACCORDING TO LOCAL CONTACTS AT THE
 EU, WHO HELPED ORGANIZE THE CONFERENCE, SARG OFFICIALS
 SPECIFICALLY CHOSE TURKEY AS THE MODEL PARTNER FOR THE
 EU-SPONSORED PROGRAM TO MODERNIZE SYRIA'S MUNICIPAL SYSTEM,
 EXPRESSING A DESIRE TO USE THE PROGRAM TO TRANSFER TURKISH
 LOCAL GOVERNMENT KNOWLEDGE AND SKILLS TO SYRIANS.
- -- ENERGY: THE SARG IS EXPERIENCING AN ELECTRICITY GAP OF APPROXIMATELY 750 MEGAWATTS PER YEAR, AS WELL AS DECLINING OIL REVENUES, AND IS SEEKING NEW ENERGY SECTOR OPPORTUNITIES. SYRIA'S IMPROVED RELATIONS WITH TURKEY ARE OPENING DOORS IN THIS SECTOR. IN OCTOBER 2006 SYRIA AND TURKEY ANNOUNCED THE ACTIVATION OF A LONG-DELAYED POWER PROJECT THAT WILL PROVIDE APPROXIMATELY 3.3 PERCENT OF SYRIA'S CURRENT ELECTRICITY NEEDS THROUGH AN ELECTRICAL GRID CONNECTION WITH TURKEYS BIRECIK POWER PLANT (REF C). NIZAR OBEID, SIEMENS AG REPRESENTATIVE IN SYRIA TOLD ECONOFF THAT WITH THE RECENT COMPLETION OF SYRIAS ELECTRICAL GRID CONNECTION WITH IRAQ, AND PREVIOUS CONNECTION WITH TURKEY, THE SARG IS READY TO MOVE FORWARD ON PLANS TO CONNECT ITS ELECTRICITY GRID WITH IRAN VIA TURKEY AND IRAQ. THERE HAVE ALSO BEEN LOCAL PRESS REPORTS THAT THE SARG IS PURSUING DISCUSSIONS WITH IRAN AND TURKEY TO RECEIVE AS MUCH AS 3 BILLION CUBIC METERS OF IRANIAN NATURAL GAS ANNUALLY THROUGH TURKISH PIPELINES.

-- CUSTOMS/SMUGGLING: SYRIA AND TURKEY HAVE BEEN COOPERATING ON SEVERAL INITIATIVES TO IMPROVE BORDER CROSSINGS, A SIGNIFICANT ISSUE FOR SYRIA, AS ITS SEES ITSELF AS A TRANSIT HUB FOR THE GULF COUNTRIES AND IRAQ. THERE IS A NEW SYRIAN-TURKISH CUSTOMS INITIATIVE TO EXPEDITE CROSS-BORDER SHIPMENTS, AND MARWAN AL-KADRI, THE EXCLUSIVE AGENT FOR KICKERS-BRAND CLOTHING AND A MEMBER OF THE SYRIAN-TURKISH BUSINESSMENS ASSOCIATION, SAID THESE INITIATIVES WILL MAKE IT EASIER FOR SYRIAN GOODS TO FLOW ACROSS THE BORDER TO A VIABLE MIDDLE-CLASS MARKET IN TURKEY. DURING DEPUTY PREMIER SENERS VISIT IN DECEMBER 2006, TURKEY AND SYRIA ALSO AGREED TO A NEW BORDER CROSSING IN TAL ZIWAS IN THE NORTHEASTERN SYRIAN REGION OF QAMISHLI THAT PROVIDES A MORE DIRECT LINK BETWEEN TURKEY AND IRAQ, REDUCING THE PRESSURE ON THE OTHER SYRIAN-TURKISH BORDER CROSSINGS. THESE BORDER IMPROVEMENTS ARE ALSO DESIGNED TO DECREASE SMUGGLING, A CONCERN FOR THE SARG, AMONG OTHER REASONS, BECAUSE OF THE OUTFLOW OF HEAVILY-SUBSIDIZED SYRIAN DIESEL TO TURKEY. SYRIA AND TURKEY ARE ALSO COOPERATING IN THE AREA OF COUNTER-NARCOTICS, WITH TURKEY PROVIDING ANTI-DRUG-SMUGGLING TRAINING TO LOCAL POLICE AND BORDER AGENTS.

POTENTIAL FISSURES IN SYRIAN-TURKISH RELATIONS

110. (C) PITFALLS OF ECONOMIC TIES WITH TURKEY: WHILE THERE ARE NO STORM CLOUDS ON THE POLITICAL HORIZON, SYRIAN BUSINESSMEN DO HAVE SOME CONCERNS ABOUT EXPANDED ECONOMIC TIES WITH TURKEY. THE SARG CLAIMS THAT THE SYRIAN-TURKISH FTA WILL BENEFIT SYRIA BY INCREASING THE FLOW OF INVESTMENT AND COMMODITIES, AND THERE ARE SOME SYRIAN BUSINESSMEN, INCLUDING, BASSEL HAMWI, CHAIRMAN OF AUDI BANK AND AHMAD SABBAGH, A PROMINENT ALEPPO BUSINESSMEN INVOLVED IN TEXTILES AND SHOPPING MALLS, WHO BELIEVE THE FTA WILL BE ECONOMICALLY BENEFICIAL TO SYRIA (NOTE: ALEPPO AND THE SURROUNDING AREAS CLOSE TO THE TURKISH BORDER, WITH EXISTING CROSS-BORDER BUSINESS RELATIONS, ARE MOST LIKELY TO RECEIVE THE SHORT-TERM BENEFITS ACCRUING FROM IMPLEMENTATION OF THE FTA. END NOTE). HOWEVER, MANY BUSINESSMEN HAVE BOTH PRIVATELY AND PUBLICLY VOICED THEIR APPREHENSIONS ABOUT THE AGREEMENT. SYRIAN MANUFACTURERS, ESPECIALLY THOSE IN THE ALREADY BELEAGUERED PUBLIC SECTOR, ARE CONCERNED ABOUT INCREASED COMPETITION FROM THE MORE DEVELOPED TURKISH SECTOR. EVEN HAYTHEM JOUD, A HIGHLY SUCCESSFUL AND PROMINENT SUNNI BUSINESSMAN, EXPRESSED HIS CONCERNS ABOUT THE ABILITY OF THE BEST SYRIAN PRODUCTS TO COMPETE AGAINST THE COMPARATIVE MARKETING ADVANTAGES THAT MAKE TURKEY A REGIONAL POWERHOUSE. ADDITIONALLY, SOME BUSINESSMEN ARE CONCERNED THAT TURKS WILL BUILD PART OF THEIR

GOODS IN SYRIA TO CLAIM SYRIAN ORIGIN FOR SHIPMENT OF GOODS TO THE GULF UNDER THE GREATER ARAB FREE TRADE AGREEMENT (GAFTA), EFFECTIVELY "STEALING" THIS MARKET FROM SYRIAN BUSINESSMEN.

- 111. (C) BEYOND THE POTENTIAL PROBLEMS FROM COMPETITION, SYRIAN ECONOMISTS SUGGEST THAT THE BIGGEST DANGER POSED BY THE FTA TO SYRIA'S ECONOMY IS ON A MACROECONOMIC LEVEL. SYRIA CURRENTLY FACES A GROWING TRADE IMBALANCE, WHICH COULD BE FURTHER AGGRAVATED BY THE FTA WITH TURKEY. PRIOR TO 2004 SYRIA EXPORTED MORE TO TURKEY, BUT WITH DECLINING OIL PRODUCTION IT NOW RECEIVES AN INCREASINGLY GREATER SHARE OF IMPORTS (NOTE: IN 2005, SYRIA'S TRADE VOLUME WITH TURKEY WAS \$800 MILLION, WITH SYRIAN EXPORTS REPRESENTING \$270 MILLION AND TURKISH IMPORTS REPRESENTING \$550 MILLION. END NOTE). SEIFAN SAID THAT THE TRADE IMBALANCE IS A CONCERN FOR SYRIA'S FRAGILE ECONOMY AND COULD BE EXACERBATED AS CHEAP TURKISH GOODS FLOOD THE SYRIAN MARKET. IN ADDITION, IT IS UNLIKELY THAT TURKISH COMPANIES WILL RUSH TO INVEST IN SYRIA AND COUNTERBALANCE THIS POTENTIAL WAVE OF TURKISH GOODS (REF C).
- 112. (C) OLD FEELINGS OF RESENTMENT DIE HARD: WHILE THE SARG PUBLICLY DOWNPLAYS ANY FEELINGS OF RESENTMENT BETWEEN TURKS AND SYRIANS, HIGHLIGHTING THAT ALTHOUGH TURKS ARE NOT ARABS, THEY ARE "FRIENDLY NEIGHBORS," SUCH RESENTMENT DOES EXIST AMONGST THE LARGER SYRIAN POPULATION. ELIAS SAMO, A PROFESSOR OF INTERNATIONAL RELATIONS FROM ALEPPO, COMMENTED TO ECONOFF THAT SOME SYRIANS STILL HARBOR FEELINGS OF

RESENTMENT TOWARDS THE TURKS FOR INJUSTICES PERPETRATED UNDER THE OTTOMAN RULE AND FOR "TAKING" THE ALEXANDRETTA/ISKANDERUN/HATAY AREA. AND ALTHOUGH TURKISH CONTACTS REMARK THAT SYRIA HAS "OFFICIALLY" RECOGNIZED THE HATAY AREA AS TURKISH, SAMO AND SHUEIBI WERE BOTH QUICK TO ASSERT THAT SYRIAN CLAIMS TO THIS LAND HAVE ONLY BEEN TEMPORARILY SUSPENDED (COMMENT: THE UNDERLYING MEANING HERE IS THAT SYRIA IS NOT PRESSING TURKEY ON THIS ISSUE WHILE SYRIA NEEDS TURKEY'S SUPPORT INTERNATIONALLY HOWEVER, GIVEN THAT TURKEY HAS OCCUPIED THIS REGION FOR DECADES, THE SARG'S DECISION UNDER BASHAR AL-ASAD TO SHELVE ITS IRREDENTIST CLAIMS WILL LIKELY MAKE IT DIFFICULT AT A LATER DATE TO RE-ACTIVATE SUCH CLAIMS. END COMMENT.).

- (C) UNDERLYING WATER DISPUTES: IN RECENT YEARS THE SARG, IN LARGE PART BECAUSE OF ITS DESIRE FOR BETTER POLITICAL COOPERATION, HAS CEASED ACCUSING TURKEY OF BOTH POLLUTING THE EUPHRATES AND USING WATER AS A POLITICAL WEAPON (REF D). HOWEVER, POTENTIAL ISSUES REMAIN. THE MANAGEMENT OF THE TIGRIS-EUPHRATES BASIN CONTINUES TO TOP THE SARG'S INTERNATIONAL WATER AGENDA AND TURKEY, SYRIA, AND IRAQ HAVE NOT REACHED ANY AGREEMENT (NOTE: THE EUPHRATES CONSTITUTES SYRIA'S PRIMARY SOURCE FOR IRRIGATION WATER AND HYDROELECTRICITY GENERATION. END NOTE.). SYRIA ALSO PUBLICLY OPPOSES TURKEY'S PLANS TO BUILD THE ILISU DAM ON THE TIGRIS. IN ADDITION, SYRIA CONTINUES TO BE CONCERNED ABOUT TURKEY'S MANAGEMENT OF THE WATER FLOW ON THE EUPHRATES. WHILE SYRIA HAS COMPLAINED ABOUT NOT RECEIVING ENOUGH WATER IN THE PAST, A HEAVY RAIN STORM IN NE SYRIA THIS PAST OCTOBER CREATED FLOODING THAT KILLED TENS OF PEOPLE AND RUINED A LARGE PORTION OF SYRIA'S COTTON CROP. ALTHOUGH THERE WAS NO PUBLIC OUTCRY AGAINST TURKEY FOR ITS PART IN INCREASING THE WATER FLOW DURING THE HEAVY RAINS, LUIGI CAVESTRO, THE ITALIAN MANAGER OF THE RAS EL AIN WATER PROJECT IN NE SYRIA SAID THAT LOCALS HAD POINTED FINGERS AT TURKEY FOR WHAT THEY VIEWED AS ITS ROLE IN THIS TRAGEDY.
- 114. (C) COMMENT: THE SYRIAN REGIME VIEWS TURKEY AS A CRITICAL PARTNER FOR ACHIEVING REGIONAL POLITICAL GOALS AND MAINTAINING INTERNAL STABILITY, EVEN IF SYRIA'S ECONOMY MAY SUFFER SOME INADVERTENT BLOWS AS A RESULT. OBSERVERS AGREE THAT THE SARG VIEWS THE FTA AND RECENT HIGH-LEVEL TURKISH DIPLOMATIC ENGAGEMENT AS CRITICAL EVIDENCE SUPPORTING THE CLAIM THAT SYRIA HAS EASED OUT OF INTERNATIONAL ISOLATION, AND THAT IT HAS DONE SO ON ITS OWN TERMS. THROUGHOUT THE INTERNATIONAL ISOLATION OF SYRIA FOLLOWING HARIRI'S $% \left(1\right) =\left(1\right) \left(1\right)$ ASSASSINATION, THE SARG MAINTAINED CONSTANT CONTACT WITH A RANGE OF TURKISH INTERLOCUTORS AND WAS PREPARED, WHEN THE ISOLATION BEGAN TO WEAKEN AT OTHER POINTS, TO URGE TURKEY TO MOVE FORWARD AND EXPAND RELATIONS WITH SYRIA. THE SARG WILL NOW WORK TO TAKE ADVANTAGE OF THE POSITIVE IMPACT OF STRONGER SYRIA-TURKEY TIES TO DEVELOP CLOSER LINKS, NOT JUST WITH REGIONAL COUNTRIES SUCH AS IRAQ, BUT ALSO WITH EUROPEAN COUNTRIES CONCERNED WITH MIDDLE EAST POLITICAL AND ECONOMIC STABILITY. SARG OFFICIALS, AS WELL AS ANALYSTS HERE, BELIEVES THAT TURKEY'S MOVE COULD PROVIDE ENCOURAGEMENT (AND SOME POLITICAL COVER) FOR WESTERN COUNTRIES TO CALCULATE THATE

THE BENEFITS OF ENGAGING SYRIA OUTWEIGH ANY COSTS. AND AGAINST THE BACKDROP OF TENSIONS WITH OTHER ARAB STATES, LIKE LEBANON, SAUDI ARABIA, AND EGYPT, SYRIA ALSO SEES TURKEY AS AN IMPORTANT NON-ARAB, ALTHOUGH ISLAMIC, STATE THAT CAN BE A KEY ALLY FOR ACHIEVING SYRIA'S REGIONAL POLITICAL INTERESTS. NEVERTHELESS, SYRIAN-TURKISH RELATIONS HAVE EBBED AND FLOWED OVER THE YEARS, AND DISAGREEMENTS OVER LEBANON AND WATER ISSUES, AS WELL AS SYRIAS CURRENTLY SHELVED IRREDENTIST CLAIMS TO THE HATAY PROVINCE, REMAIN FLASH POINTS THAT, DEPENDING ON THEIR HANDLING BY THE SARG, COULD, IN THE INTERMEDIATE-TERM OR DISTANT FUTURE, UNDERCUT THIS "NEW FRIENDSHIP." END COMMENT.